

The 294th meeting of the Rhode Island Student Loan Authority was held on **Friday May 25, 2012** in the McKenna Conference Room, 560 Jefferson Boulevard, Warwick, Rhode Island.

Members in attendance:

Dr. Anthony Santoro
Dr. William Croasdale
Mr. John Howell
Ms. Patti Doyle
Mr. Chris Feisthamel, Designee of the General Treasurer

Others in attendance:

Mr. Charles Kelley
Mr. Noel Simpson
Mr. Joseph Palumbo
Ms. Jennifer Dutch
Mr. Kevan McAleer
Mrs. Lindie Thibodeau Johnson
Ms. Lisa Labelle

The meeting was called to order by Dr. Santoro at 10:13 a.m.

Chairman's Report

There was no Chairman's Report.

Executive Director's Report

There was no Executive Director's Report

College Planning Center Survey

Mrs. Thibodeau Johnson handed out the College Planning Center Survey and went over the results with the board members.

Dr. Santoro inquired about a synergy between the CPC and Way to Go. He believes there is an opportunity to merge Way to Go with the CPC. Way to Go works with students earlier in school and CPC helps with college planning process. The members discussed ways to encourage more public participation in the College Planning Center and how parents play a critical role in the college planning process.

Focus Group Project

Ms. Labelle prepared a summary of the RFP for the board to review. There was a not to exceed price of \$23,000. Ms. Doyle recused herself from the discussion.

Action Item #5: Selection of Vendor

Upon a motion made by Mr. Howell and seconded by Mr. Feisthamel it was unanimously

VOTED to approve RISLA's staff's recommendation of Market Decision. Ms. Doyle recused herself from voting.

Report on Senator Durbin Bankruptcy Bill

Mr. Kelley stated that under current law federal loans and supplemental student loans are not dischargeable in bankruptcy. Senator Durbin has introduced a bill that would extend bankruptcy protection to borrowers who owe on private student loans. Mr. Kelley stated that the impact of this legislation on RISLA should be minimal. At RISLA, 98% of the loans have a borrower and a co-maker. If one claims bankruptcy, the other is still liable. RISLA's default rate is less than 2%. Mr. Kelley stated that expanding bankruptcy to include supplemental student loans could have an impact on new bond issues with regard to rating agencies. Mr. Kelley stated that RISLA currently has approximately \$20 million student only loans, which makes up less than 2% of the portfolio. Mr. Kelley said that RISLA's reserve funds would need to be greater and bad debt reserves would need to be boosted if this legislation is enacted.

Student Loan Policy Discussion

Mr. Kelley reported that RIFEL Loans for the 12/13 academic year will have the added flexibility of income based repayment similar to Federal Stafford Loans and which the Federal PLUS Loan does not have.

Action Item #8: Election of Officers

No vote was taken.

At 11:03, upon a motion made by Mr. Howell and seconded by Mr. Feisthamel, the board entered into Executive Session based on Litigation – pursuant to RIGL 42-46-5 (a)(2). Ms. Doyle was absent for the vote, All other members present voted in favor.

At 11:43 the open session reconvened. Chairman Santoro stated that no votes were taken in the closed session.

Upon a motion made by Mr. Howell and seconded by Mr. Feisthamel it was unanimously

VOTED to seal the minutes of the Executive Session.

Upon a motion made by Dr. Croasdale and seconded by Mr. Howell it was unanimously

VOTED to adjourn at 11:44.

John Howell, Secretary